



FOR IMMEDIATE RELEASE
August 31, 2006

*Office of the United States Attorney
District of Arizona*

For Information Contact Public Affairs
WYN HORNBUCKLE
Telephone: (602) 514-7625
Cell: (602) 809-3683

PHOENIX ATTORNEY INDICTED FOR BANKRUPTCY FRAUD AND MONEY LAUNDERING

PHOENIX, Ariz.-- On August 29, 2006, a federal grand jury in Phoenix, Ariz. returned a 34-count indictment against a Phoenix attorney, James Joseph Everett, 51, of Paradise Valley, Arizona, for False Declarations in Bankruptcy Proceedings, Bankruptcy Fraud, and Money Laundering.

U.S. Attorney Paul K. Charlton said, "Bankruptcy fraud is not a victim-less offense. Bankruptcy fraud harms all of us as consumers. It is something we will all pay for in the end."

The indictment alleges that, in 2002, Everett made numerous material false declarations in his Chapter 7 bankruptcy filings designed to conceal approximately \$500,000 in assets and income from the U.S. Bankruptcy Trustee. The indictment further alleges that Defendant used more than \$300,000 in concealed assets to purchase a house in Paradise Valley.

A conviction for False Declarations in Bankruptcy Proceedings and Bankruptcy Fraud carries a maximum penalty of 5 years, a \$250,000 fine or both. A conviction for Money Laundering carries a maximum penalty of 20 years, a \$500,000 fine or both. In determining an actual sentence, Judge Teilborg will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted the United States Trustee's Office and the Internal Revenue Service Criminal Investigation Division. The prosecution is being handled by John R. Lopez IV, Assistant U.S. Attorney, District of Arizona, Phoenix, Ariz.

CASE NUMBER: CR-06-0795-PHX-JAT
RELEASE NUMBER: 2006-169(Everett)

###